

April 20, 2005

Ms. Laura E. Sinram, Campaign Finance Analyst
Federal Election Commission
Washington DC 20463

Dear Ms. Sinram:

This is a reply to a letter you sent from the FEC to the Fairfax County Democratic Committee on March 22, 2006. Your letter raised a number of questions about the report of the Fairfax County Democratic Committee covering the period 1-1-2005 to 6-30-2005, and is referenced as the "2005 Mid-Year Report." Due to the questions raised in your letter, a number of errors were corrected in the Committee's 2005 Mid Year Report, and this date an amended filing was accepted by the FEC electronic filing server from the Committee.

The first question in the letter inquired about a book keeping error correction involving \$11,000 of federal funds from two donors, Mr. Andrew Wise and Mr. William Peake. These donations were solicited for federal election purposes, the contributors were informed that this was the purpose of the solicitation, and the solicitation informed the donors that their contributions were subject to the limitations and prohibitions of the Act, 11 CFR 102(5)a. When the checks were marked for deposit, they were accompanied by a deposit slip to the FCDC non-Federal Account, a book keeping error. The transfer of these funds to the Federal Account was delayed while the Treasurer sought legal counsel about how to transfer the funds to the Federal Account within legal parameters. At no time during the election cycle of Fall 2004 through the date of the actual transfer to correct the error, did the cash balance on deposit in the Non-Federal account ever go below \$11,000. Therefore, at no time did the Non-Federal account "use" the funds that were transferred in April 2005 to the Federal Account. Further, the 2005 Mid Year Report contained the cash transfer as an entry on line 11(a) of the FEC Report, so a memo text entry explaining the error, the transfer, and the name, address, occupation and employer of the two donors was included in the memo text. Before this transfer was transacted, advice on how to report this transfer was obtained from FEC Analyst Alissa Sagri and was confirmed by competent counsel.

The second question raised by Ms. Sinram asks why donors, whose contributions to the Fairfax County Democratic Committee (FCDC) aggregated to over \$200, were reported with Occupation "Consultant", "Unknown" or "Unk". FCDC uses its best efforts to obtain address, occupation and employer information from all donors, whether their contributions are over or under the \$200 reporting threshold. Many donors do not willingly disclose the information. Due to the time limit for depositing receipts, it is not always possible to know the information when the donation is processed for deposit to the FCDC Federal account.

Best efforts include three parts, in compliance with 11 CFR Sec. 104.7. First, every solicitation printed by the FCDC includes both the requirements of federal law for the reporting of the information, and a request for name, address, occupation and employer information. Our disclaimer has been approved as compliant with FEC regulation by competent legal counsel. Unsolicited contributions which do not contain the name, address, occupation and employer of the donor would be returned as a matter of FCDC policy. Second, for any contribution we receive from a legal solicitation which does not include the required information, the Treasurer or a designee phones the donor and requests the information before any contribution is deposited, which is within ten days of receipt. The phone call informs the donor of the information needed to maintain compliance with election law, requests the missing information, and provides the phone number of FCDC and the hours of operation of our office. If an answering or recording device is reached instead of the individual, a log is maintained for the outgoing calls. The donor is asked to call during business hours Monday to Friday and speak to any Committee volunteer to disclose the information. The log is checked regularly for update information, and when the information is received, it is then entered into a donor database maintained by the Treasurer.

This database tracks all current donors, the date and amount of any contributions, and name, address, telephone number, occupation, employer, location of employment, and related information. The database assembles supporting documentation

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for all deposit entries in the books and financial records of the committee. Third, for all reports filed after the updated information is posted to the database of donor information, the new information appears in FCDC reports to Federal or State election law regulatory agencies along with the donor's current and future contributions. The committee will amend its 2005 Mid Year report to update the donor occupation information which it has obtained since July 15, 2005, on the 13 donors whose occupation was initially reported as "Consultant" or "Unknown" or "Unk."

On pages 2 and 3 of the letter, the next question raised by Ms. Sinram concerns a number of committee expenses which were incorrectly interpreted as Federal Election Activity. Expenses during 2005 in the categories of fund raising, graphics, mailing services, postage for fund raising, and printing supported only candidates for public office in Virginia. All expenses of FCDC supported candidates for State or local office. No federal candidates were on the ballot in 2005. The purported assumption that any of these expenses were Federal Election Activity fails because there were no candidates for Federal office in 2005.

Deposits for fund raising, facility rentals, fund raising expenses, postage for fund raising, luncheon expenses, fund raising letters and postage, printing for fund raising, and similar reported expenses on Schedule B supporting line 21(b) are properly reported there, rather than on lines 23, 24, or 25, because they supported no candidates for Federal office.

The use of "exempt" to describe expenses such as printing signs, was an unfortunate misuse of the descriptor, which must have caused concern for the FEC, based on the questions raised on Page 3 of the letter. On further examination, these expenses should more accurately be described as non Federal expenses, or expenses toward a non Federal election. Therefore, the report has been amended to label these expenses more accurately to reflect their correct classification as expenses supporting a non Federal election, and this amended filing is transmitted to FEC and uploaded to the electronic filing server this date.

The next question raised by your letter (Page 4) is the issue of payments for salaries. The Fairfax County Democratic Committee is an entirely volunteer non profit political organization. We employ no paid staff on the Committee, and no other employer pays someone to spend any part of their compensated time working for the Fairfax County Democratic Committee.

Also on Page 4, you observe that there are no payments for administrative expenses. The FCDC maintains a Federal account, which accepts deposits only from individual donors or other Federal accounts, and subject to the limitations and disclosure requirements of Federal law. We use our Federal account to pay 100 percent of administrative expenses. These expenses appear as disbursements in line 21(b) of the FEC reports, and Code 001 Administrative expense classification is assigned to each administrative item such as rent, copier lease, telephone bill, office postage, office supplies, and newsletter printing. No funds from the FCDC non Federal account are used to pay any of these administrative expenses. So there is no allocation of administrative funds from the FCDC non Federal Account to the FCDC Federal Account. The committee pays no wages or salaries to any employees. All time devoted to committee business is from volunteers.

The Committee received no goods or services which could be classified as in kind contributions in this reporting period.

Having noted the discrepancy in the name of the Committee on Page 5, a correction was entered into the amended reports filed this date with the FEC filing server.

I hope you find this responsive to the concerns raised in the letter of March 22, 2006, from Laura E. Sinram, Campaign Finance Analyst.

Submitted for the Fairfax County Democratic Committee - Federal this Thursday, the 20th day of April 2006.

Bruce H. Neilson Treasurer
Fairfax County Democratic Committee